

**CITY OF MONROE
FISCAL YEAR 2011-2012
BUDGET PRESENTATION**

EDWARD SELL, FINANCE DIRECTOR

Budget Documents

- Budget Document
- Line item budget reports

Budget Process/Calendar

- April 4, 2011 – First Reading of Budget Ordinance
- April 18, 2010 – Second Reading, Public Hearing, Adoption
- Work sessions scheduled for 3/22 & 3/23, others scheduled as needed
- Adoption must occur by April 30, 2010

Budget Process/Calendar

- Includes review of FY10-11 budget
- Final amendment for FY 10-11 ???
- Millage rates, fee increases, and other budget operating authorizations approved with the adoption of the budget ordinance

FY 10-11 Budget Status- General Fund

	As Adopted April 2010	As Amended March 2011	As Projected March 2011
Beginning Fund Balance	3,082,314	3,194,747	3,194,747
Estimated Revenue	16,736,043	16,885,680	16,722,519
Total Available Resources	19,818,357	20,080,427	19,917,266
Estimated Expenditures	16,736,043	16,916,267	16,722,519
Ending Fund Balance	3,082,314	3,164,160	3,194,747
Fund Balance Change	-	(30,587)	-

Five Year Budget Forecast

DESCRIPTION	PROJECTED	FORECASTED				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
BEGINNING FUND BALANCE (DEFICIT)	3,267,624.69	3,267,624.69	2,252,727.90	1,670,611.46	1,007,309.36	67,587.19
ESTIMATED REVENUE	16,884,830.03	16,029,789.60	16,224,338.67	16,411,531.33	16,476,841.00	16,604,026.00
AVAILABLE RESOURCES	20,152,454.72	19,297,414.29	18,477,066.57	18,082,142.79	17,484,150.36	16,671,613.19
ESTIMATED EXPENDITURES	16,884,830.03	17,044,686.39	16,806,455.11	17,074,833.43	17,416,563.17	17,569,451.32
ESTIMATED ENDING FUND BALANCE (DEFICIT)	3,267,624.69	2,252,727.90	1,670,611.46	1,007,309.36	67,587.19	(897,838.13)
FORECASTED ANNUAL BUDGET DEFICIT	0.00	(1,014,896.79)	(582,116.44)	(663,302.10)	(939,722.17)	(965,425.32)

Five Year Budget Forecast

- Included \$820,000 decrease in tax revenue
- Included \$131,000 decrease in SRS
- Estimated \$841,000 in Capital

General Fund Budget FY12

- Original budget submitted - \$516,293 deficit
- Assumes elimination of Statutory SRS
- Budget submitted is balanced with use of prior year Fund Balance increase
- Capital budgeted at .72 mills, \$636,100
- Former Capital Items now as Debt Service - .18 mills, \$156,002
- All CIP items approved are included

PERSONNEL BUDGET ESTIMATES

- TOTAL FULL-TIME POSITIONS BUDGETED=167, FY11=170, FY10=182, FY09=205, FY08=239, FY05=250
- WAGE INCREASES- 0.00% BUDGETED, 2.0% FY11 CONCESSION IMPLEMENTED
- HEALTH INSURANCE (MEDICAL AND PRESCRIPTION)
 - HDHP/HSA – 10.5% INCREASE 7/1/11, 10.0% INCREASE 1/1/12
 - BASE PLAN – 7% DECREASE 7/1/11, 10% INCREASE 1/1/12
- POST-RETIREMENT HEALTHCARE (See next slide)
 - NORMAL COST – 3.01% TO 18.88%
 - UAAL AMORTIZATION/PAY GO – 21.82% TO 33.61%
- PENSION CONTRIBUTION
 - FIRE (56.27%), POLICE (17.69%), HYBRID (3.47%), GENERAL (0.00%)
 - TOTAL CONTRIBUTION \$1.274 MILLION, GF - \$1.224 MILLION (\$72k INCREASE)

Retiree Health Care Liability

- \$4,698,863 = ARC for FY2012
 - Normal Cost \$916,613
- \$3.2 million budgeted
 - \$1.92 million General Fund
- 2011 amended budget = \$3.0 million
- Pay as you go cost - \$2.925 million
- New actuarial valuation in 2012

General Fund FY 11-12 Budget Status

	INITIAL REQUESTS	AS SUBMITTED	CHANGE +/-
REVENUE	16,353,065	16,657,853	304,788
EXPENDITURES	16,869,358	16,770,627	(98,731)
REVENUE OVER(UNDER) EXPENDITURES	(516,293)	(112,774)	403,519

\$516,293 – A PORTION REPRESENTS STRUCTURAL DEFICIT-FUND BALANCE WOULD BE REDUCED TO \$2,678,453 – REMAINING ARE ONE-TIME COSTS

BUDGET BALANCING

■ Highlights

- Revised/Increase Property Taxable Value (\$332,895)
- Proposes Eliminating Police Accident Cost Recovery Fees (\$31,000)
- Budgeted to propose contract with credit union for receipt services – (\$15,000)
- Maintained ALCC at current amount (\$20,000)
- Moved Final COPS Grant Set Aside to 2011 (\$55,423)
- Reallocated/Reduced Property & Liability Insurance Costs
- Contracting Ballfield Maintenance and Park Restroom Cleaning
- Used Local Street (\$32,000) to fund CIP
- Various Operating Line Item Adjustments

Budget Issues for Future

- Revenue Sharing – August Payment of \$82,000 remains for FY12
- Capital funding reduced by \$217,000
- PRHC Funding needs to increase
 - 20 year - \$264,000 per year, each year
 - 15 year - \$339,000 per year, each year
 - .3 to .385 mill
 - 2.5 to 3.2% increase in TV each year
 - 3% employee contribution - \$274,000
- Total = \$489,200 to \$564,200

Taxable Value

	12/31/2009	12/31/2010	CHANGE	% CHANGE
REAL				
AG	180,350	183,410	3,060	1.70%
COMM	120,461,520	122,456,800	1,995,280	1.66%
IND	346,628,600	367,177,980	20,549,380	5.93%
RESID	323,998,870	302,784,880	(21,213,990)	-6.55%
DEVEL	503,920	508,060	4,140	0.82%
TOTAL REAL	791,773,260	793,111,130	1,337,870	0.17%
PERSONAL				
COMM	24,168,750	24,940,810	772,060	3.19%
IND	24,377,670	28,429,130	4,051,460	16.62%
UTIL	32,081,100	29,493,900	(2,587,200)	-8.06%
TOTAL PERSONAL	80,627,520	82,863,840	2,236,320	2.77%
TOTAL EQUALIZED*	872,400,780	875,974,970	3,574,190	0.41%
IFT/OPT	10,068,540	9,239,725	(828,815)	-8.23%
LAND BANK	76,270	67,415	(8,855)	-11.61%
DNR	233,927	240,640	6,713	2.87%
TOTAL CITY	882,779,517	885,522,750	2,743,233	0.31%

Property Tax Revenue Detail

	<u>FY2011</u>	<u>FY2012</u>	<u>+/-</u>
GENERAL OPERATING	13.726	13.726	0
REFUSE	1.448	1.448	0
PORT	0.375	0.375	0
BRIDGE	0.52	0.52	0
TOTAL MILLAGE	<u>16.069</u>	<u>16.069</u>	<u>0</u>
PTAF*	1.00%	1.00%	

* - CHARGED ON ALL MILLAGES

PTAF=PROPERTY TAX ADMINISTRATION FEE

PROPERTY TAX REVENUE- ESTIMATED

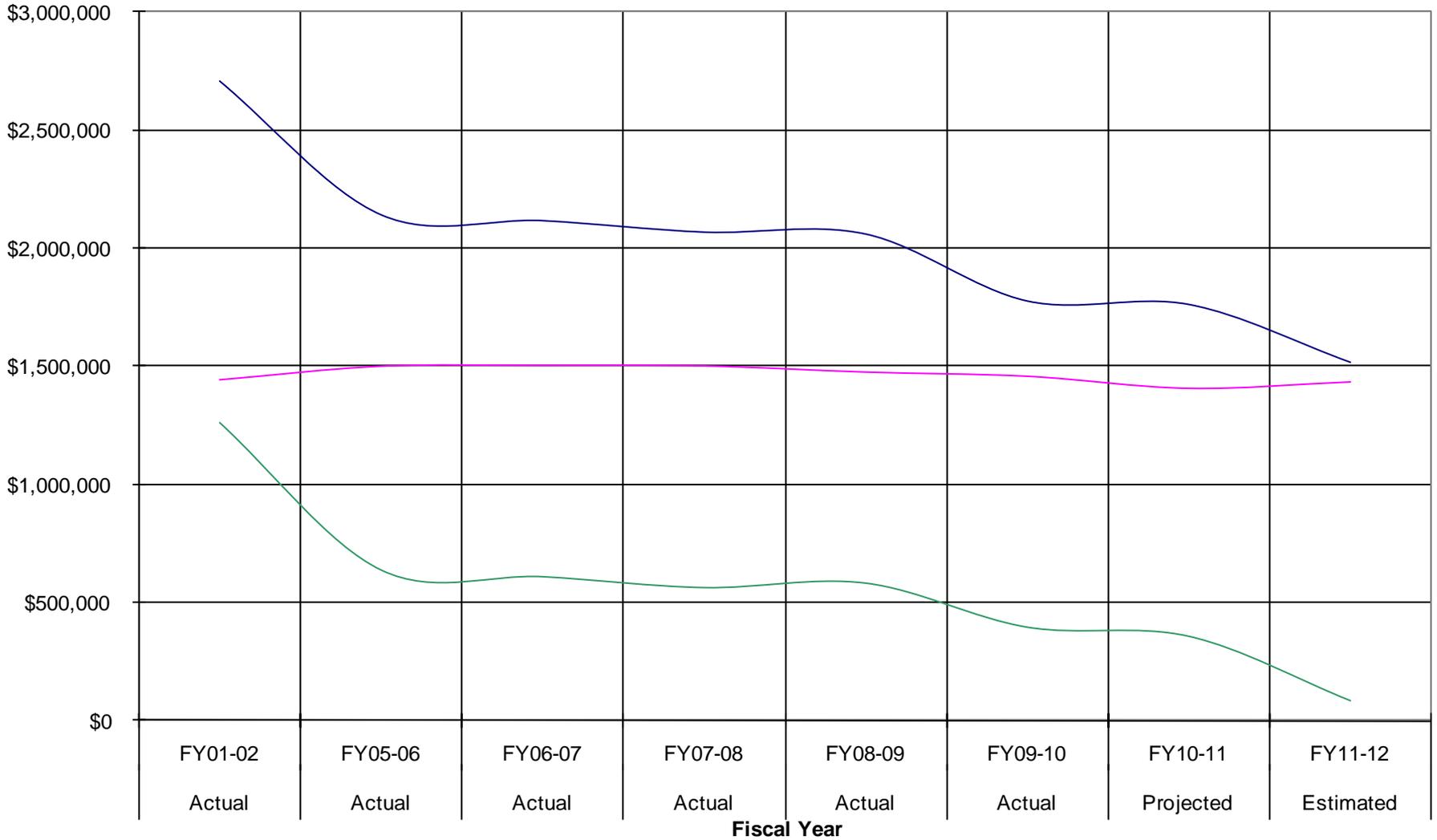
	<u>FISCAL YEAR 2012</u>		<u>FISCAL</u>	<u>%</u>
	<u>GENERAL</u>	<u>TOTAL</u>	<u>2011</u>	<u>CHANGE</u>
ESTIMATED TAXABLE VALUE	\$ 876,283,025	\$ 876,283,025	872,710,277	0.41%
MILLAGE RATE	13.726	16.069	16.069	
TOTAL TAXES LEVIED	\$ 12,027,861	\$ 14,080,992	\$ 14,023,581	0.41%
DDA/BRA CAPTURED VALUE	\$ 26,064,120	\$ 26,064,120	\$ 25,221,430	3.34%
DDA/BRA CAPTURED TAXES	\$ 357,756	\$ 406,948	\$ 405,283	
NET ADVALOREM TAXES	\$ 11,670,105	\$ 13,674,044	\$ 13,618,298	0.41%
IFT/OPT PROPERTY TAXES	\$ 127,670	\$ 164,017	\$ 168,696	-2.77%
TOTAL PROPERTY TAX REVENUE	\$ 11,797,775	\$ 13,838,061	\$ 13,786,994	0.37%

TAXABLE VALUE FIGURES ARE ESTIMATES AND NOT FINAL

STATE REVENUE SHARING

	Actual FY01-02	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Projected FY10-11	Estimated FY11-12
State Revenue Sharing	2,706,145	2,139,543	2,114,941	2,066,280	2,058,108	1,774,479	1,760,000	1,515,000
		(17,395)	(24,602)	(48,661)	(8,172)	(283,629)	(14,479)	(245,000)
		-0.81%	-1.15%	-2.30%	-0.40%	-13.78%	-0.82%	-13.92%
Constitutional	1,442,812	1,502,830	1,506,402	1,504,073	1,476,942	1,458,371	1,404,837	1,433,316
		2.39%	0.24%	-0.15%	-1.80%	-1.26%	-3.67%	2.03%
Statutory	1,263,333	636,713	608,539	562,207	581,166	393,907	355,163	81,684
		-0.81%	-1.15%	-2.30%	-0.40%	-10.00%	-4.98%	-13.92%

Revenue Sharing Trend



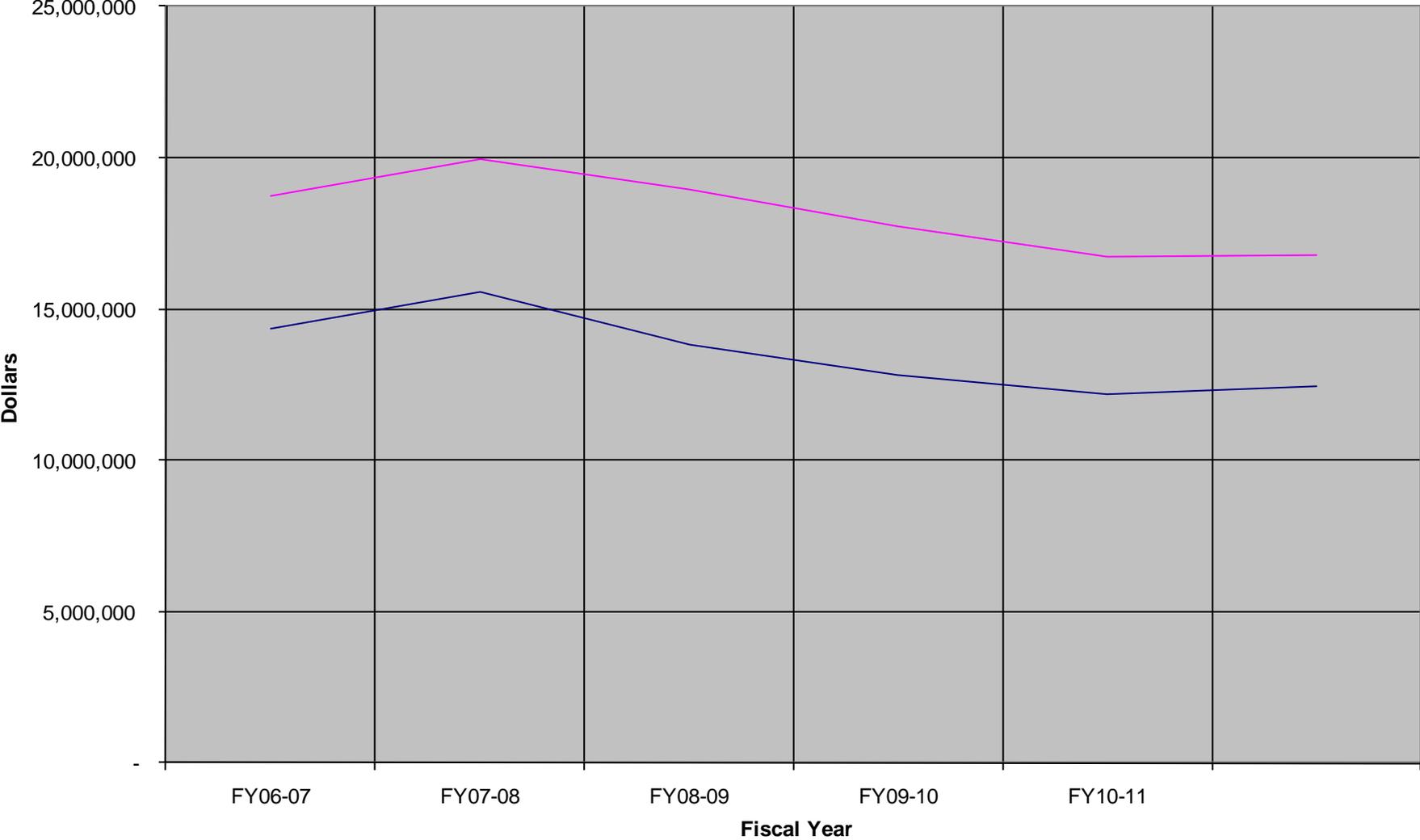
General Fund Revenue

	Actual FY05-06	Actual FY06-07	Actual FY07-08	Actual FY08-09	Actual FY09-10	Projected FY10-11	Estimated FY11-12
Property Taxes	13,146,844	13,385,492	13,780,109	13,616,367	13,100,618	12,302,360	12,332,775
State Revenue Sharing	2,139,543	2,114,941	2,066,280	2,058,108	1,774,479	1,760,000	1,515,000
Total	15,286,387	15,500,433	15,846,389	15,674,475	14,875,097	14,062,360	13,847,775
Dollar Change	(77,265)	214,046	345,956	(171,914)	(799,378)	(812,737)	(214,585)
Percentage Change	-0.50%	1.40%	2.23%	-1.08%	-5.10%	-5.46%	-1.53%
Total Revenue	18,692,046	18,936,327	19,919,178	18,888,234	17,906,324	16,722,519	16,657,853
% of Total	81.78%	81.86%	79.55%	82.99%	83.07%	84.09%	83.13%

PERSONNEL COST % OF TOTAL

DESCRIPTION	ACTUAL FY06-07	ACTUAL FY07-08	ACTUAL FY08-09	ACTUAL FY09-10	PROJECTED FY10-11	ESTIMATED FY11-12
TOTAL PERSONNEL COST	14,345,029	15,545,984	13,821,556	12,835,579	12,193,497	12,433,167
PERCENTAGE INCREASE	0.77%	8.37%	-11.09%	-7.13%	-5.00%	1.97%
TOTAL EXPENDITURES	18,715,181 	19,927,717	18,971,154 	17,757,452 	16,722,519 	16,770,627
PERCENTAGE INCREASE	-1.03%	6.48%	-4.80%	-6.40%	-5.83%	0.29%
PERSONNEL % OF TOTAL	76.65%	78.01%	72.86%	72.28%	72.92%	74.14%

Personnel Cost Compared to Total Cost



MULTI-SPORTS COMPLEX

	ACTUAL FY05-06	ACTUAL FY06-07	ACTUAL FY07-08	ACTUAL FY08-09	ACTUAL FY09-10	PROJECTED FY10-11	REQUESTED FY11-12
OPERATING INCOME	\$ 952,364	\$ 818,439	\$ 766,107	\$ 726,744	\$ 757,552	\$ 619,677	\$ 675,132
OPERATING EXPENDITURES	941,465	1,037,083	964,265	1,028,586	876,192	694,068	687,781
NET OPERATING INCOME/(LOSS)	10,899	(218,644)	(198,158)	(301,842)	(118,640)	(74,391)	(12,649)
DEBT SERVICE	489,888	429,216	452,336	456,060	458,367	460,901	466,529
NET INCOME/(LOSS)	\$(478,989)	\$(647,860)	\$(650,494)	\$(757,902)	\$(577,007)	\$ (535,292)	\$ (479,178)

OTHER GENERAL FUND ITEMS

- INTEREST INCOME BUDGETED AT .50%
- WASTEWATER ADMIN FEE FLAT AT 4.74%
- WATER ADMIN FEE – 5.96 TO 6.29%
- CONTINGENCY BUDGETED AT \$150,000
- OTHER ISSUES WITH DEPT.
PRESENTATIONS

OTHER FUND BUDGETS TO REVIEW

- MAJOR STREET
- LOCAL STREET
- REFUSE FUND
- BUILDING SAFETY
- WASTEWATER
- WATER

MAJOR STREET FUND

- All 2012 CIP programs funded
- Projects Fund Balance of \$436,732 at 6/30/12
- Fund Balance is 61% of Operating Expenditures

MAJOR STREET FUND

DESCRIPTION	ACTUAL FY05-06	ACTUAL FY06-07	ACTUAL FY 07-08	ACTUAL FY 08-09	ACTUAL FY 09-10	PROJECTED FY 10-11	REQUESTED FY 11-12
OPERATING REVENUE	\$1,161,303	\$1,086,346	\$ 1,095,052	\$ 1,061,220	\$ 1,035,666	\$ 1,037,900	\$ 1,046,000
CAPITAL FUNDING	388,543	470,256	679,918	195,000	810,328	1,074,980	406,000
INTEREST INCOME	43,864	62,906	34,296	16,739	5,343	1,300	1,300
TOTAL REVENUE	1,593,710	1,619,508	1,809,266	1,272,959	1,851,337	2,114,180	1,453,300
OPERATING EXPENDITURES	551,915	421,983	474,337	469,230	424,270	498,117	466,200
TRANSFER TO LOCAL STREETS	414,824	253,281	505,785	420,480	322,963	242,500	245,000
CAPITAL EXPENDITURES	808,605	1,134,091	1,158,987	492,287	1,135,902	1,726,932	646,000
TOTAL EXPENDITURES	1,775,344	1,809,355	2,139,109	1,381,997	1,883,135	2,467,549	1,357,200
REVENUE OVER(UNDER)EXPENSE	\$ (181,634)	\$ (189,847)	\$ (329,843)	\$ (109,038)	\$ (31,798)	\$ (353,369)	\$ 96,100
OPERATING INCOME	\$ 194,564	\$ 411,082	\$ 114,930	\$ 171,510	\$ 288,432	\$ 297,283	\$ 334,800
NET CAPITAL COST	\$ (420,062)	\$ (663,835)	\$ (479,069)	\$ (297,287)	\$ (325,574)	\$ (651,952)	\$ (240,000)

LOCAL STREET FUND

- All 2012 CIP Funding included
- Estimated Fund Balance at 6/30/12 = \$555,876

Local Street Fund

DESCRIPTION	ACTUAL FY 08-09	ACTUAL FY 09-10	PROJECTED FY 10-11	REQUESTED FY 11-12
OPERATING REVENUE	\$ 570,809	\$ 560,435	\$ 566,500	\$ 573,000
CAPITAL FUNDING	878,046	641,230	640,262	588,000
INTEREST INCOME	793	311	500	500
TOTAL REVENUE	1,449,648	1,201,975	1,207,262	1,161,500
OPERATING EXPENDITURES	431,312	319,297	385,420	405,720
CAPITAL EXPENDITURES	1,106,714	641,230	534,160	870,000
TOTAL EXPENDITURES	1,538,026	960,526	919,580	1,275,720
REVENUE OVER(UNDER)EXPENSE	\$ (88,378)	\$ 241,449	\$ 287,682	\$ (114,220)
OPERATING INCOME	\$ 139,497	\$ 241,138	\$ 181,080	\$ 167,280
NET CAPITAL COST	\$ (228,668)	\$ 0	\$ 106,102	\$ (282,000)

REFUSE FUND

- REFUSE MILLAGE RECOMMENDED TO REMAIN AT 1.448 MILLS
- SERVICES PROVIDED
 - STREET SWEEPING
 - REFUSE REMOVAL
 - LEAF BAGS

REFUSE FUND SUMMARY

	ACTUAL FY05-06	ACTUAL FY06-07	ACTUAL FY07-08	ACTUAL FY08-09	ACTUAL FY09-10	PROJECTED FY10-11	REQUESTED FY11-12
REVENUE							
PROPERTY TAX REVENUE	1,026,479	1,241,784	1,272,698	1,426,248	1,330,757	1,244,407	1,258,532
INTEREST ON INVESTMENTS	26,030	41,896	42,021	28,158	9,939	6,000	0
DUMPING FEES	4,528	3,300	2,100	2,922	1,180	1,000	1,000
SALES-REFUSE STICKERS	6,722	6,558	5,115	4,960	3,578	3,500	3,500
TOTAL REVENUE	1,063,759	1,293,538	1,321,934	1,462,288	1,345,453	1,254,907	1,263,032
EXPENDITURES							
STREET SWEEPING	196,411	290,602	237,988	274,886	266,046	275,000	275,000
REFUSE PICK-UP	944,970	936,238	954,212	994,760	976,553	1,003,661	1,013,000
LEAF PICKUP	0	20,636	19,296	21,546	21,478	21,882	25,000
REFUND - BOR SETTLEMENT	835	3,233	30,585	859	2,279	4,500	4,500
TOTAL EXPENDITURES	1,142,216	1,250,709	1,242,081	1,292,051	1,266,356	1,305,043	1,317,500
REVENUE OVER (UNDER) EXPENDITURES	(78,457)	42,829	79,853	170,237	79,097	(50,136)	(54,468)
FUND BALANCE - BEGINNING OF YEAR	89,043	10,586	53,415	133,269	303,506	382,603	332,468
FUND BALANCE - END OF YEAR	10,586	53,415	133,268	303,506	382,603	332,468	278,000

BUILDING SAFETY FUND

- FY10 Transfer from General Fund (\$62,859)
- Fund Balance – Zero
- CDBG Grant Use
- Capital Project Work
- Rental Inspection Revenue
- \$60,000 ending fund balance

WASTEWATER FUND

- 5.5% INCREASE IN COMMODITY RATE AND 0.0% INCREASE IN THE QUARTERLY SERVICE CHARGE RECOMMENDED
- 4.4% INCREASE OR \$12.88 PER YEAR, AVERAGE
- COMMODITY RECOMMENDED TO INCREASE FROM \$2.57 TO \$2.71
- ADMINISTRATIVE FEE UNCHANGED AT \$13.59
- FUND IS STILL IN GOOD FINANCIAL CONDITION

WATER FUND

- COMMODITY RATE RECOMMENDED TO INCREASE FROM \$1.33 TO \$1.40
- DEBT SERVICE FEE INCREASE TO COVER DEBT ISSUES - \$5.17 TO \$5.40
- THE FUND SHOULD BUILD UP WORKING CAPITAL

NEXT STEP

- DEPARTMENT BUDGET PRESENTATIONS
- SEE SCHEDULE AND DEPARTMENTAL BUDGET RESPONSIBILITY

QUESTIONS/DISCUSSION